

**Northern Illinois Gas Company
d/b/a Nicor Gas Company**

Ill.C.C. No. 16 – Gas
4th Revised Sheet No. 82
(Canceling 3rd Revised Sheet No.
82, Effective January 1, 2010)

**Rider 29
Energy Efficiency Plan**

Applicable to Rates 1, 4 and 74

*** Availability.**

The Energy Efficiency Plan (EEP) charge, expressed on a cents per customer basis, is a monthly charge that recovers expenses related to the Company's Energy Efficiency Plan. The Company shall determine two separate charges under this rider for residential (Rate 1) and non-residential (Rates 4 and 74) Service Classifications. The Company shall determine the Effective Component, as outlined in Section B (1), annually. With the exception of the Effective Component determined for the first Plan Period after this rider goes into effect, the Company shall file the Effective Component with the Commission no later than June 1, and it shall be in effect for the 12 month period commencing the following July 1. For the first Plan Period, the Company shall file an Effective Component that is in effect for the months of June 2009 through December 2009 and an Effective Component that is in effect for the period of January 2010 through June 2010. The Company shall determine the Reconciliation Adjustment, as outlined in Section B (2), annually. The Company shall file the Reconciliation Adjustment with the Commission no later than September 30, and it shall be effective for the nine-month period commencing the following October 1.

This rider shall operate on a pilot basis for a four-year period pursuant to the Commission's order in Docket No. 08-0363. The final Reconciliation Adjustment determined under this rider shall be filed with the Commission by September 30, 2011, unless the rider is implemented on a permanent basis upon the Commission's approval in a general rate proceeding.

*** Section A – Definitions.**

As used in this rider, the terms below are defined to mean:

Annual Plan Budget (APB) shall mean that annual amount of Rider EEP expenses which shall not exceed \$13 million or some lesser amount approved by the Commission in the Company's most recent rate proceeding. The APB shall be allocated 70% to Rate 1, Residential Service, 30% to the non-residential Service Classifications (Rates 4 and 74).

Available Budget (AVB) shall mean the Annual Plan Budget plus the Carry Over Budget.

Carry Over Budget (COB) shall mean the amount of the APB from the Previous Plan Period that shall be carried into the Plan Period and shall be the lower of the Carry Over Maximum or the Under Budget Amount.

Carry Over Percentage (CP) shall mean the percentage that is applied to the Annual Plan Budget to determine the Carry Over Maximum. There shall be no Carry Over Percentage in the first Plan Period after this rider goes into effect. The Carry Over Percentage shall be 75% in the second Plan Period.

Carry Over Maximum (COM) shall mean the maximum amount of the Annual Plan Budget that can be carried over to a Plan Period and shall be the product of the Annual Plan Budget (APB) and the Carry Over Percentage (CP).

(Continued On Sheet No. 82.1)